

CHARLES JOSEPH PIETSCH, JR.

THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

CHARLES JOSEPH PIETSCH, JR.

(1919 -       )

Charlie Pietsch, Jr. recalls growing up in Kaimuki following his family's return to Hawaii from Brooklyn, New York, where they moved when he was six months old. He attended Aliiolani and Roosevelt Schools, the University of Hawaii and graduated in 1939 from Wheaton College in Illinois.

Mr. Pietsch obtained his real estate license while a student at the University of Hawaii, began his career in this profession prior to World War II and resumed it in 1946 after his military service with the Army Air Corps. He discusses the changes in the areas of the financing of housing and real estate development in Hawaii, the impact of the GI bill on the housing industry, and the impact of inflation on construction and real estate.

The development and growth of Sea Life Park and Waimea Falls and plans for their future expansion are described.

Mr. Pietsch has been active for many years in community organizations, particularly with the Boy Scouts of America, the Honolulu Symphony and the Aloha United Way.

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INTERVIEW WITH CHARLES JOSEPH PIETSCH, JR.

In his tenth floor office at the Davies Pacific Center,  
Honolulu, Hawaii

January 13, 1987

P: Charles Pietsch

S: Alice Sinesky, Interviewer

P: Let's go back to when my folks came here in 1918 on their honeymoon. My father's eldest brother, Will, was running the old Chinese men's home up in Palolo Valley, so they thought they'd come here and it would be a nice honeymoon, and then they'd go back to New York, to Brooklyn, where they'd both come from. However, World War I was going on and my dad, being Charles J. Pietsch, of course, and myself being Junior...

By the way, some people don't realize that the second is wrong if you're named after your father. You're a "junior." If you see a II after someone's name, that means they aren't named after their father but an uncle or someone of that name.

Anyway, they came in early 1917 and stayed on. Dad got a job at Pearl Harbor and he was in charge of cost estimating for the dry dock and repair of ships. Shortly after the war, I was born on February 5, 1919. When I was six months old they went back to New York. Dad went into the real estate business. He was a graduate architect from Cooper Union in New York and had been an architect until he married and came to Hawaii.

We spent three years in New York during which time my brothers David and John were born. Shortly after John was born, we returned to Honolulu. That I can remember. I can remember my third birthday on Wiona Street in Brooklyn, New York. I can remember the sledding and the fact that we lived next to a schoolhouse where I got locked in one night. My third birthday when Mom and Dad gave me a tricycle, and my Uncle Tom (Mom's brother) gave me a bell for it, the bell had an American flag emblazoned on the surface.

We came back to Honolulu and I can remember that the first house we lived in Dad rented in Puunui. He worked with the Hawaiian Trust Company. Of course nobody wanted to give

him a job and pay him anything, but he said, "Look, I'll work on commission with no draw." With that they hired him; after all, they had nothing to lose.

Well, after five years with them and each year...by going west of Nuuanu Street he was doing business with people that the other company people had never even talked to. For those few years he was making a very good living. The company wanted to put him on a salary, so he quit and went into business for himself.

From the time that I was maybe eight or nine years old my dad was an independent real estate broker. We moved into different houses. We rented a house in Kaimuki and then finally built a house at the mauka Koko Head corner of Eighth and Keanu Street. In those days the only street that was paved in Kaimuki was Waialae Avenue and it only went as far as Koko Head Avenue.

L. Kwai Yau store was the end of the road, which also was the end of the streetcar line. People lived beyond that, but the roads weren't paved. Where we lived at Eighth and Keanu Street, Keanu Street is one block mauka of Waialae Avenue. I don't know exactly which year it was, but it was before I went to school so it was probably around 1924 that Dad bought his first automobile. He had to keep it parked a block away from the house every night on Waialae Avenue because if he drove it into the garage of the house at Eighth and Keanu Street and it rained during the night, he couldn't get the car out.

When I was six they opened the new one-story, with wide porches, Aliiolani School on Waialae Avenue between Sixth and Seventh Streets across Waialae Avenue from the then being built St. Patrick's Church. Just townside of that was Sacred Hearts Academy.

Nobody, of course, wore shoes to school. Everybody stepped on kukus (thorns) from the kiawe trees. With one of these in your foot, you'd walk around on your heel or on the front of your foot. If you were wearing shoes to school, the kids knew you were going to go downtown with your mother in the afternoon to the doctor or dentist.

S: Did you have primarily haole teachers there?

P: We had mostly haole teachers. At that time the Normal School here graduated a number of teachers, but in my memory of my first few years of school they were women who had come here from the mainland and were teaching.

I stayed at Aliiolani School. I skipped the seventh grade and then went into the eighth grade and that was the last eighth grade they ever had at Aliiolani. It dropped to

a grammar school, just going through sixth grade. Roosevelt High School, which had started at the old Normal School (the Teachers College moving to the University of Hawaii) and the old Normal School had been Roosevelt High School for two years when the present Roosevelt High School was built. The first year it was used I entered the ninth grade there, 1933. Subsequently, they dropped the ninth grade and it became a three-year high school and Robert Louis Stevenson became the English standard intermediate school.

So I went to Alliolani and Roosevelt and graduated in 1936 from Roosevelt and went to the University of Hawaii in 1936 and 1937. In 1938 and 1939 I went to Wheaton College in Illinois. The religious background of the family pushing me to go there.

S: Was religion stressed in your family?

P: Very, very much so. My folks were both Plymouth Brethren, which meant that they didn't go to churches; they had a meeting room, usually on a second floor. They all sat in a circle because the Lord said that where two or three are gathered together in my name, there am I in the midst of you. Well, in the midst of them--they all wanted to face the center because if somebody's in the middle--this was the best way.

There was no music, but the men sat in the front row and the women and the children sat in the second row. Any man could get up and start a song from the hymnal. I do remember that there weren't very many good singers among the eight or nine men that were there. It was (laughs) a little bit flat and off-key and, as I said, no musical background whatsoever.

S: Does this go back to...? You said your parents were living in Brooklyn. Did it go back to New England?

P: It goes back to Brooklyn. Actually, it goes back to England and Scotland. They were Brethren and they were all alike in that there was no clergy, still are not. In eastern U. S. and Canada the Plymouth Brethren still have meetings.

Some years later, around the thirties, my mother's parents came over. My grandfather was David McCulloch (Scottish). Mother's name was Florence Alison McCulloch. Her father had come from near Glasgow. He called it "Mitherwell." It's Motherwell. I've been there and seen the little city. He was a ship's blacksmith and had a speciality of balancing propellers for ships. After his retirement they came to Honolulu. They lived on Center Street. Their house and property ran between Center Street and Koko Head Avenue in Kaimuki. My Aunt Jessie, my mother's sister, and her husband also built a house on the property. Uncle Sidney

Rickards worked for Libby, McNeill, and Libby as an accountant for many years until he went back, in retirement, to New York in 1953.

When my youngest brother Richard was born (that would have been 1929), we moved to a new house on Center Street. Dad had built a two-story, lovely, Colonial house.

S: Your father was very prosperous at that point.

P: At that point things were going very well. Then, of course, the Depression hit and that's another story.

Going back to what we used to do when we lived on Keanu Street. Palolo Stream was really a wild, lovely, clean stream and there we spent a lot of time. The John DeMello family across the street; Haradas across the street; Nodayuki, Masao Miyamoto, and the Bates boys lived up and down the street. We'd go to the stream and we spent a lot of time catching do-jos and oopus and, particularly, the fresh water shrimp called opae. Then we'd bring them back to the DeMellos who had a house that was built up on stilts and had a second kitchen downstairs that we kids could use. We'd fry all our shrimps and cook up some rice and eat and hang around down there.

Of course, in Kaimuki in those days, there weren't many haoles around. Being red-headed, I and my brother David had carrot red hair. Happily, we were fairly large early in life because we got into a number of fights with other kids who would just yell at us, "You damn haole," until one thing or another happened. "Who you lookin'?" (laughs) In the main, it was a happy life.

Living on Center Street we used to walk to the top of Wilhelmina Rise. That had been developed back in 1928 and 1929 and nothing sold. There was one house up there. All the streetlights had been knocked out by rocks. There were just paved streets and sidewalks and overgrown lots, empty lots. Then you could walk on behind Wilhelmina Rise, along a hogback, until you were to the top of a ridge and looked down on Waimanalo and Kailua. Then if you walked north along the ridge to Mount Konahuanui, you could come back by Tantalus or you could come back across what later became St. Louis Heights. That had been at that time just partially built up. We're talking now about 1932 or 1933.

In 1933 I started high school at Roosevelt. From the upper stoop of the school you could see whether there were good waves at Waikiki. A number of boys kept our boards at the Outrigger Canoe Club. You paid a fifty cents initiation fee and ten cents a month dues. They were redwood boards that you made yourself.

S:           Pretty good-sized?

P:           They were about twelve feet long and weighed about 130 pounds. Nobody stole your board. They had no skegs on them. If you started sliding in one direction, you couldn't change direction. You tried. You'd put your foot out, but you'd usually wind up in trouble. We spent a lot of time in the water.

I mentioned Dad building the house and moving in in 1929. I remember the date very well because, as I say, my youngest brother Dick is ten years younger than I, and we moved from one house to the other while he was in the hospital with Mother. When Mother and Dickie came home, they came home to the new house on Center Street.

S:           How many boys were there all together?

P:           Four. There is myself, the eldest; David, a year and a half younger; John, three years younger; and Dickie, ten years younger.

While we were living at Center Street, my Dad's mother and father died. At that time Grandma and Grandpa Pietsch lived in California, in Pomona. He was the manager of the collection office for the Prudential Insurance Company. The first time as a youngster that I remember Grandma and Grandpa Pietsch they lived in Brooklyn, New York. Grandpa was a tailor and made me an overcoat. Grandma ran the delicatessen downstairs. They lived upstairs where the tailor shop was.

While we lived at Center Street--I'd say we lived there four years--we would spend summers at a rented house in Lanikai, so Lanikai became our summer vacation home. I can't remember the exact year, but I had just entered high school so it was about 1933, which was about four years after we moved into the house, the bank called Dad in. He was behind in his payments. He was supposed to be making \$200-a-month payments and he said, "Look, all I can pay you is \$100 a month." They said, "No, that's not acceptable. You'll have to deed the house to us."

He did this and he got what...this was just the start of the Roosevelt administration and the government started what they called the Home Owners Loan Corporation and he got an HOLC loan, and we moved to the house in Lanikai that he bought with the money that his father had left him, which, I believe, was \$4,000.

It was a lovely spot in Lanikai; we liked living there. Again, no paved roads; strictly sand roads. We had to come into town to school every day. At that time I was at Roosevelt High School. David followed me the next year.

The fact that the bank, Bank of Hawaii, had taken the house from Dad didn't bother him because he had agreed to pay this and if he couldn't, well, that was his fault. However, what did make him mad and carried on making me upset when I found out about it, was that they turned around and rented it for \$50 a month. That didn't go very well. Many, many years, even after I came back from the Army Air Force (which we'll go into later) I wouldn't do business with the Bank of Hawaii until the whole group had died out and there was all new management there. (laughs)

Living at Lanikai, my brother and I soon got into fish netting. There was a young Japanese fellow, Shigeto, whose father had a twenty-foot sampan. They lived across Mokolea Street. In a few years Dave and I had our own twenty-foot net boat, oars, no motor. (laughs) We would go out net fishing. We had gill nets and we made lobster nets. As we came into school, the fish that we caught that night would be in bushel baskets. We'd drop them off at the fish market to be auctioned.

On the way home (I'd sometimes wait around for football practice), but we'd deliver the Hawaii Hochi, the Nippu Jiji and the Star-Bulletin to Waimanalo, Kailua and Lanikai. We'd deliver maybe 150 papers. You'd drop five here, ten there at little lanes. Waimanalo Plantation was still alive. Waimanalo was very much a plantation town. Kailua was mostly coconut grove and Kalama. The coconut grove, obviously, was the defunct copra plantation of coconut trees and Kalama was a great stand of what we call ironwoods. They've now mostly disappeared. You couldn't have a house lot with fifteen of those huge trees. (laughs) They originally had been planted as a windbreak to protect the coconut trees. It just was a great big coconut grove. And gradually homes were built there and most of the coconut trees had to be cut also.

Even though both Dave and I, particularly myself, were fair skinned, we were sunburnt all the time. We'd wear a hat as much as we could, but we did a lot of skin diving and surfing. We really had a very nice life there. This went on. I went away to school and came back again. David went away, came back and graduated from the University of Hawaii. Johnny was away at school when the war came. Our folks, Mom and Dad and Dick, were travelling on the mainland. Until after the war, only Dad could come back and then only for a short time.

When I'd been to Wheaton College, I'd met a girl named Fern Prohaska who lived in another little town near Wheaton, named Lombard. She was going to music school at Elmhurst College. We corresponded. In 1940 I went back to a Junior Chamber of Commerce convention in Washington, D. C. By that time I was out of college. I'd received my real estate



license while I was a sophomore at the University of Hawaii and I was working with my dad in the real estate business.

I went to Washington, D. C., picked up a car (Fred Mosher was with me) in Flint, Michigan, from the Dodge Company. It was the first Dodge convertible with an automatic roof, and oh, I was proud of that deep green, white-roofed automobile. After the convention Fred and I drove it back across the country. He went on back just part way first. He stayed in Chicago for a bit. I went to see Fern and at that time we became engaged. Fred and I drove west to Seattle and came home by ship from Seattle with the car.

In 1941, Fern and I made the decision by mail that instead of spending the money for me to go to Illinois--no airplanes yet, remember--and the two of us coming back here by train and ship, we'd instead take what money we had and with one of the first FHA mortgages that were made in Hawaii, we built a house on a lot that Dad gave me at his cost on Woodlawn Drive. We were married on May 2, 1941.

S: So Fern came over here to get married.

P: Fern came here. She'd never been to Hawaii before. It's a good thing she liked it; she still does, thank goodness. I went out to meet her as the boat came in, the old Lurline.

S: How did her family feel about it?

P: Well, her mother said that she'd been looking forward to seeing her eldest daughter's wedding, and so had her father, but she said, "Fern, if I were you, I'd do just what you're doing."

When we were married in May, the house wasn't finished yet. We stayed with the folks at Lanikai until by August it was, so we moved in. I was still working with my father in his real estate office at 927 Fort Street. That is, until December 7 of that year.

At that time my brother David had graduated from the University of Hawaii. He was on the Honolulu police force when the war started. He'd gone to work that morning of December 7, and Fern and I were to meet some friends and hike up Waikane Valley on the windward side of the Island.

Immediately after hearing the noise, we turned on the radio and learned what was going on. The announcer said that all reserve officers should report to their duty stations. I was a reserve second lieutenant. I reported to my duty station, which was Hickam Field. The barracks and hangars and many other buildings, but not field headquarters, had

been bombed. My first assignment was to remove the bodies from the barracks, which wasn't a happy way to start anything.

The first few days were hectic. I went home the first night at the colonel's request. The next morning I was phoned and told to watch out because there were Japanese parachutists in all the other valleys and they expected them in Manoa Valley, where we were, at any moment. Of course, by ten o'clock we knew that wasn't true and that the things that were hanging from the wires were not parachutes. (laughs) It's funny to look back on, but it was very serious at the time.

In fact, my neighbors and I gathered and we each had our weapons. I had a shotgun and a twenty-two rifle and he had a forty-five revolver and that was about it. As we all know, nothing happened as far as enemy action here on December 8. We sat, waiting, and listened to the radio and heard President Franklin Delano Roosevelt speak to a joint session of Congress and declare that a state of war existed between the United States and Japan and Germany. His famous "Day of Infamy" speech.

S: As we all know now, too, if the Japanese had come back the day after the Pearl Harbor attack, we were quite helpless.

P: At this point, I'd like to go back to my business life.

S: Wouldn't you like to tell me what you did during the war?

P: During the war? I reported as a second lieutenant and then (I'd never gone to Army flying school), but I had a service pilot's rating and I went to most of the Islands and from here to...I guess the first major thing that I was in after having been to Espiritu Santo and back with the bomb group was that I was at that time an aide to General Farthing and then General Tinker, head of the Seventh Air Force. We went to Midway and went through the Midway battle. After the Midway battle, we came back with the B-17s to Hickam Field, some on two engines, some on three, some of them in perfect shape. We had four LB-30s, which were the predecessors of the B-24 bomber. The Midway battle was the second, third and fourth of June, 1942. After many ceremonies here and a number of debriefings--Army, Navy, Marine and Air Corps. The Air Corps was still part of the Army. It wasn't Air Force until three years after the war was over.

I went through a number of campaigns in the Pacific, Okinawa being my last one. For Okinawa, I was the Air Force liaison officer with the Tenth Army. They were from

Schofield and I flew down and met the ship at Kwajelein and went with part of the Tenth Army.

I had dengue fever. I came back to Hawaii and was told, "Well look, you've been overseas too long. This is still in the war zone so you can't take your rest leave here. You'll have to take your family and go to the mainland." By that time I was a major. They put me in charge of a troop ship, the old Permanente brought cement over and men back. It had about a four degree list the whole way to San Francisco, which took fourteen days.

Charlie III was about two years old (he'd been born in 1942) and Diana was about six months old. We arrived in San Francisco and were put on a train to Illinois where Fern's folks lived. We left the children with her folks and Fern and I went for rest and recreation to Miami Beach, Florida. That was about as far away as you can get from the obvious place for me to take rest and recreation, which was Honolulu. (laughter)

S: But it was great because the grandparents loved seeing their grandchildren. It was a great family reunion.

P: That's right. We were there for over a month, because as a field grade officer, whoever's place I took would be sent overseas. There were a number of field grade officers who'd been sitting at desks for the whole war and they weren't about to go overseas and didn't want to leave their families. I finally was ordered to Wright Field, Ohio, and after going back to Illinois and settling Fern with her family, I went to Wright Field. After one week there, it drove me crazy being in an office all the time. Even wearing a tie drove me crazy, let alone the rest of the desk work of the Air Corps. (laughs) So I went into the commanding general and asked for another assignment.

S: What year was this?

P: The summer of 1945, because while we were on the train coming back from Florida to Illinois, the World War in Europe was over. While we were at Fern's place, I can remember President Roosevelt died and there was that awful week of mourning when the radio played nothing but soft music. When the war ended on VJ day, I was in Oklahoma City, stationed at Tinker Field.

S: When I interrupted you, you were saying that you had gone into the commanding general at Wright.

P: And asked to be reassigned, and I got an assignment at Tinker Air Field at Oklahoma City. General Tinker was the general whose aide I had been and who was lost on one of the

four LD-30 aircraft that took off from Midway. I was telling you about the aircraft.

We flew up to Midway--the date would be somewhere around the 12th of June, 1942. We knew that the Japanese had some ships that had been hit and were at Wake Island. The idea was that the LB-30s would take off from Midway and bomb these crippled ships. I was going along with General Tinker, but in the meantime a colonel came in from Washington. This was going to be a "medal flight." I was left behind. The four LB-30s took off and three of them came back about two hours later having hit a bad storm front, but the General's plane never came back.

So General Tinker was no more and if there isn't a general, there's no need for an aide. My next assignment was to start and run for the next two years Air Sea Rescue Control for both Army and Navy for the Pacific area. Our Pacific area over that time became larger and larger as we moved through island after island toward Japan.

While I was at Tinker Field as deputy commander of the Sixth Air Service Command--what they were doing--they were still making airplanes up in Willow Run, Detroit, but they had no place to go. All the aircraft from Europe and those still being built couldn't be sent to the Pacific theater. So we were what we called "pickling" them on all these airfields in Oklahoma and Texas and just lining them up. We even had high school girls running the planes' engines up until we could get a mechanic around to pickle them and cover them up. In the final analysis, all of those aircraft were sold for scrap. We were wasting a lot of time and money.

The war ended and, if you had twenty-five points, you were supposed to get out. Well, I had 140 points, but if you were a field grade officer, it didn't mean anything; it didn't count. So they kept me in and it was finally December before we returned home here. I had to go to the West Coast with the family and although I could have come home by air, I couldn't do it with my family. I drove with them in a car that I had bought in Oklahoma. I picked them up in Illinois; drove to San Francisco; finally was sent to Seattle and given an assignment as commander of troops on a ship. These were troops that were on their way to Japan for the occupation force.

We returned to Honolulu in late December of 1945, and I was finally discharged from the Army in April of 1946.

S: That was a pretty active five years.

P: There was something going on all the time, and I guess I spent as much overseas time as anybody.

We'll digress here a minute before I go on with my business career. A little bit of politics, which I've stayed out of as much as I could during my life, because of this. My father was a Democrat when everybody here was a Republican. All big business here was Republican; all Merchant Street was Republican. But he was the treasurer of the Democratic party. When they first started federal housing, which was represented here by the Hawaii Housing Authority--as all the states--we not being a state but a territory, we still had the Hawaii Housing Authority.

Dad was appointed as the first chairman of the Hawaii Housing Authority. His director was Archibald Guild. Dad was the unpaid chairman and was blamed by all the newspapers and all the businessmen in town for "socialized housing," which was anathema. There were headlines; editorials; he was just castigated right and left.

At the time I was in high school (it happened in 1935) and it made such an impression on me I decided to keep a low profile all my life. I didn't want my name in the headlines and all these people calling me terrible names. He did build in his administration, as chairman, the Kamehameha Homes, which are still being used and are still very nice, opposite where Farrington High School was later built. He built Kalakaua Homes, which a few years ago were torn down and replaced with newer high-rise housing.

At the time the war started, he was still chairman of HHA and the ground was being put together for Mayor Wright housing at the area of Liliha and King Streets, but that wasn't actually built until after the war because all housing construction had to stop, of course.

Dad was on the mainland with Mother and my youngest brother Dick on a trip during the December 7, 1941 attack. He came back here but returned to the mainland and worked for the Gideons and lived on what little fat he had, and raised a few million dollars for bibles for the service people. I still have some of them; little white testaments for the nurses, brown ones for the Army, blue ones for the Navy. The Gideons, which as you know, put all the bibles in the hotel rooms.

He was always very active in all those things. He said that he was the only layman who had spoken in the chapels of both West Point and Annapolis among his perambulations around the country raising this money.

As I have said, while at the University of Hawaii I took my real estate examination and became a real estate salesman under my dad as broker. I made my first deal on my eighteenth birthday. I sold a lot at the top of Wilhelmina Rise for \$1,800 to a classmate of mine who was a retired

chief petty officer of the Coast Guard. (laughter) I made a \$90 commission on my eighteenth birthday. That was the start of my real estate experience. I was doing some rent collecting and except for commissions here and there--things were picking up after the war--I've carried on in the real estate business one way or another ever since. I did give up my broker's license in 1954.

When Fern and I were married, I suppose I was averaging about \$300 a month from helping make rent collections and occasional sales. I can remember selling houses up in Manoa, nice houses, for \$6,500, fee simple land, of course.

S: This would be right before the war?

P: This was just before the war. I had some sales pending when the war started.

In fact, the day before December 7th, December 6th, I had come downtown because I needed some new suits. I had bought two new suits at Andrade's and they were being fitted. After the war I went in and they had my suits for me. (laughter) They were a little large for me because I had lost some weight during the war, but they still fitted close enough for me to use. Those were my first two suits after the war because I had no civilian clothes.

S: Isn't that funny!

P: Andrade's on Fort Street.

Talking about Dad and religion and Fort Street makes me think of Charles J. Day who had Day's Grocery Store [C. J. Day & Co.] which was just makai of Hotel Street on the ewa side of Fort Street. Day and my dad and another fellow, Boyer, who ran a mission in Kakaako, the three every Saturday night would preach in a little storefront at Aala Park. As a kid, seven or eight years old, I would go there with them and pass out the doughnuts when they poured their coffee. (laughs) That was in the mid-twenties.

S: You said that your dad went to the mainland and did this fund-raising for the Gideons. Did your dad and your mother return after the war?

P: After the war Mom and Dad came back before I could, and he and I were in the real estate business together. My brother David was with us, too. Johnny was flying for one of the smaller local airlines, one of the nonscheduled airlines. Dave and I and Dad at that time started Hawaii Title Company, which David runs to this day. David caught polio. He got out of the war as a lieutenant commander in the Navy. He had been the skipper of a mine sweeper during the war around the Hawaiian Islands. In 1946 he contracted polio. It was a few

years before he was back, and one of the best things he could do was search titles. He could sit and do that work. He merged with another firm that had been searching titles here for many years and started the first title insurance business in this state. The Hawaiian Title Company was the first and still the largest insurers of land titles in Hawaii.

S: How long did your parents live?

P: Well, Dad contracted Parkinson's disease and lived until 1956, at which time he was sixty-eight. Mother lived--she was five years younger than Dad--until she was eighty-eight. The last three years of her life she was at Maunalani Home.

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P: After the war I went back into the real estate business as a broker. I guess I was one of the first people to have what they call "open houses" on Sunday.

S: How did you get that idea? It seems so obvious now.

P: Well, I had to do something different. What you've got to realize is that the people who were in real estate here during the war had made what was for that time a lot of money. They had been in all kinds of things and made a lot of money, so most of them were fat and lazy. I couldn't afford to be because I came back with about \$500, a wife and two children. I bought a house in Kailua from Mr. Dowsett whose eldest son had been killed and who had built this house. It was on a 10,000 square foot lot; a nice three-bedroom, two-bathroom house, for \$10,000 with \$300 down and \$100 a month. My father said, "Charlie, you're way over your head. You're never going to be able to keep those payments up. It's just too much." But we had to have a place to live, so that's the way it was.

After about a year of being a broker I met Ruddy Tongg and a fellow who was working for him by the name of Ed Peacock. We opened up a subdivision on the top of Alewa Heights. I optioned the land from a number of people for Ruddy. He bulldozed the roads and I had some can covers from Dole Pineapple Company and we put the lot numbers on stakes and put them on the lots, then put an ad in the newspaper. Ruddy said, "If you sell half the lots, I'll exercise the options and will put in the subdivision." There were 110 lots. I remember so well. "If you sell fifty of those lots, we'll go ahead."

S: How big were the lots? Do you recall?

P: The average was probably 10,000 square feet. They were good-sized lots. At the top of Alewa Heights. I remember one of the largest landholders was Harold Kay.

That Saturday I went up there. Peacock, who was the joint broker, didn't bother. He wasn't very interested. He'd done very well during the war. When I drove home that evening, I'd sold the last lot by flashlight. I had ten percent deposits in my pockets. I just threw it out on the bed to count it to see how I came out and I had over \$100,000 in my pockets in checks and cash and a lot of it was in cash. A lot of it was bills with the "Hawaii" imprint on them, which had been issued here during the war so that in case the Japanese took Hawaii, the currency would be disavowed by the United States government. That was a very successful subdivision.

Subsequently, about six months after that Ruddy said, "Find me some land." An estate trustee was trying to sell the land that the estate owned in Palolo Valley. I took Ruddy up there and showed it to him. "Charlie, if you can get it for \$350,000, go ahead, and I'll pay you the commission. Just make it net to them. Cash."

I went to the woman who was trustee, and I made an offer of \$300,000. Ruddy had told me about his want about nine o'clock in the morning. By noon, when I met him at Wo Fat's for lunch, I had the acceptance of the \$300,000 offer. He immediately paid me the commission on the \$350,000 that he had agreed to go to, which I think was an exceptional thing, and that's why I've had such a wonderful relationship with Ruddy Tongg.

S: I'll bet you enjoyed your lunch that day.

P: I really did. With the commission from that sale, my Dad and I leased the frontage on Kalakaua Avenue from the Matson Hotels. The commission was the first six months' land rent on the acreage that we rented on the front of the grounds of the Royal Hawaiian Hotel. We took G. J. Watumull as partner and we built some shops. At that time nobody used Kalakaua Avenue. Everybody said we were crazy to build those shops there. Each of the three buildings cost \$60,000. Wimberly and Cook were architects and the contractor was Walker and Moody.

S: What year was this?

P: Nineteen forty-seven and 1948. We built them one a year for three years--1948, '49, and '50. There were three buildings. But Dad and I couldn't finance them because we didn't have the credit, so we went to Mr. Watumull, Mr. G. J.



Watumull. Gobindram Jhamandas. Lila's father. He paid us a small fee and at the same time signed a note at the bank with us so we could build the shops. There were six shops in each building. A number of years later, Mr. Watumull had died and David Watumull, his son, bought our share of the buildings from us.

In the meantime, Carlos Long tract, the Palolo land I'd bought for Ruddy from the trustee. We took about half of the acreage, bulldozed in the roads, put the signs on them, had a sale and didn't sell very many of them. Then I got an idea. The GI bill, you know, had GI government guaranteed mortgages available. I went to First Federal Savings and Loan, which was next to our office on Fort Street then, and made arrangements for these GI loans.

Then I went to Lewers and Cooke and made a deal with them for their contractors to bid on...using L & C's in-house architect. We took four models of houses and we would have each contractor bid on the house. In [Farrant] Turner's office at Lewers and Cooke we'd say, "You, Contractor A, are the lowest bidder on House Number One. If we sell ten, can you bond ten?" Turner would say, "Sure, we can bond him for ten." "Well, how many of you other contractors will build at the same price?" That way we'd know what each house would cost and that we had the contractors who were willing to build them for that price. We had the lot prices and we put the two together. At one time in Palolo and St. Louis Heights, we had eighteen contractors working.

For the big opening I had to take a whole page ad in the Saturday morning paper. My brother Johnny was off his flying schedule that day and he was going to help me. It rained all night, so Johnny called me up and said, "Gee, there's no use in me going up. Nobody's going to show up." I said, "Well, you know, I've spent all this money on this ad. I've got to go up."

So I went to Palolo and as I drew near the place there was mud all over the road. I thought, "Here's all this traffic bound up in this mud. What a mess! I'm going to catch hell from the city." Anyway, I tromped through the mud and I mean through deep mud--red dirt, Palolo red dirt--to the little shack we'd built to sell from. It was still raining and I opened up and, of course, there was this line of cars, not stalled by mud but people wanting to buy houses. I had 103 houses to sell that day and by noon I'd sold every one.

A guy would tromp out to look and he'd say, "I want Lot Number 15 and I want House Number 3." That's the way that went. I'd take them into the savings and loan and they'd make their loan application.

S: And all of these were GI or the bulk of them were?

P: All GI. I don't think we sold any to anyone but GIs. The terms were \$500 down and \$80 a month.

S: And the interest at that time?

P: The interest at that time was probably four and a half percent.

S: And what year was this?

P: This was 1947. There's one little anecdote I like to tell about that. There was one fellow...if they didn't pass their loan, we said they flunked their loan. We had a huge waiting list, of course, for people, so we'd give them their \$500 back and sell it to the next one on the list who would qualify.

I'll never forget this one fellow. I had to call him and ask him to come in. He came in about 5:30 one afternoon. He was a taxi driver, but he hadn't driven long enough to prove that he had enough income to pay his \$85 or \$90 a month. Whatever the monthly payment was. I think his name was Masayuki. I called him Masa. I had to give Masa his money back. I said, "Now, Masa, we're going to have the next section next year. By that time maybe you can prove that you make enough money every month. Maybe you can get loan next year. This year, no can."

So he left. Shortly after, I closed the office for the day. At that time we were in a little mezzanine office on a walk-up entry to Cannon's School of Business on Fort Street, across from the Cooke Trust Company.

The next morning about seven o'clock I'm walking up the steps and here's Masa sitting on the steps. He looks like hell. He's dirty and messy and red-eyed. I said, "Hey, Masa, what's the matter?" He said, "Did you sell my house?" I said, "No, I haven't called anybody else. You were just here the last thing yesterday." He said, "Mr. Pietsch, if I no can get a loan, can I get the house if I pay cash?" I said, "Well, of course." He picks up this little brown bag--I thought he had a bottle in the bag--walks into my office, counts out the money. He had some left over that I remember I gave back to him. I said, "Masa, I'll make out the deed. How you like? You and your wife?" He said, "Yes." I said, "How come?" "Well," he said, "I scared for go home and tell my wife that we flunked the loan and I no can get the house, so I went crap game and I win all this money. Lucky, no?" I said, "You sure are." (laughter) I think that's about one of the nicest stories.

February 25, 1987

P: After building the Carlos Long tract, I went on to building a number of tracts around town, so that the number of houses was probably in the neighborhood of 6,000. They were built mostly in groups of at least 100 to 400 houses. The last of the major subdivisions which I did was Waialae-Kahala for the Bishop Estate. That comprised some 300 to 400 houses.

S: In terms of affordability, you did lower income and you did...?

P: In the Waialae-Kahala subdivision, there was A, B was the shopping center, and then there were C, D, E and F. Within all those subdivisions the most expensive house we built sold for \$18,300. None of those houses can be bought today for less than \$450,000 to \$500,000. Those subdivisions were finished in 1952 and 1953.

After that I formed the Honolulu Mortgage Company, together with a few friends, and ran that for a number of years, making mortgages in Hawaii to be sold to major insurance companies and other major investors from the mainland United States.

In 1962 the Honolulu Mortgage Company merged with the Bishop Trust Company. At that time I received and subsequently bought additional stock, so that I in effect had working control of the company. I never personally took charge of the day-to-day operations of the Trust Company, staying with the Mortgage Company for many years as president and then later as chairman.

However, shortly after the death of Walter Dillingham, who at the time of my merger with the Trust Company was chairman of the board and handled the board meetings of the Bishop Trust Company, I became the chairman of the Bishop Trust Company and so remained until it was finally sold in about 1980 to the Crocker Bank of San Francisco.

Just prior to selling the Bishop Trust Company to Crocker Bank, it was necessary, because national banks could not have mortgage companies, therefore, we sold the Honolulu Mortgage Company to Jardine, Mathieson of Hong Kong through Davies Company of Honolulu, which they had recently acquired.

By that time the Mortgage Company had grown to the point where we were just short of one billion dollars in servicing. Servicing being those mortgages from which the mortgage company receives a fee from the companies to which you have sold the mortgages and receives a servicing fee for collecting their payments each month, transmitting the

payment to them, and keeping the records and paying the lease rent (if any) and the insurance premiums and taxes for the mortgagors.

Happily, in all the time there were very few foreclosures. Hawaii was the safest place to hold mortgages in the whole United States. We had fewer foreclosures and fewer collection problems than any place in the country.

S: To what do you attribute that?

P: I really attribute that to a large part to our high character of Hawaii's people. If one section of the family gets in a little trouble, they help each other. The few foreclosures we had were normally caused by deaths, divorces, disappearances and odd things. At no time did we have a foreclosure where the property upon being sold did not bring more than the mortgage, so that no one lost money on the transactions.

During this period of time I was much involved with building both low-cost and later high-cost apartments. Of the low-cost apartments, the first that I built was in 1953. They cost about \$3,500 apiece and the rentals were about \$65 per month. The last of the large number of apartments which were in the low-rent range and probably amounted to about 2,000 units, the smallest group being in the neighborhood of 50 and the largest 400 or 500 hundred. By the time I built the last in the mid-seventies, the units cost, rather than \$3,000 to \$3,500 a unit, about \$12,000 a unit to build. Therefore the rentals had to be in the neighborhood of \$250 to \$300. In 1986, substantially the same unit costs \$55,000 to construct.

By and large, all of those units were about the same size, very little change in the design or the square footage of the unit. Most of the changes being of a technical nature and the fact that we went from wood to concrete and to three stories from two.

I'm a firm believer that either you build for the very low market or the very high market. I don't like the in-between market because the in-between market is the first to have problems, if there are to be any.

In 1959 I obtained a lease from the Bishop Estate, subject to zoning, of course, to build a hotel in the Kahala area, which was later named the Kahala Hilton Hotel. This hotel was finally built after much ado about the zoning, which was a long story that went back and forth between the City Council and the mayor and a lot of people that didn't really know what was going on.

Anyway, the hotel was completed. It was owned half by Hilton Hotels International, which was at that time a portion of Hilton Hotels itself. They subsequently (in fact within two years after the completion of the hotel) sold Hilton Hotels International to TWA, so they became the managers of the only Hilton Hotel within the United States; all the other Hilton International hotels being outside the United States.

At the same time there was an agreement that Hilton Hotels would not build outside the United States. The time has now run out on that pact so both of them have criss-crossed. In fact, TWA just a few months ago sold their hotel chain, so that it now belongs to a group in Europe. But they still manage the Kahala Hilton Hotel. (Recently the chain was sold to United Airlines and presently it seems they'll sell the chain yet again.)

When the hotel was built, it cost \$32,500 a room and that included putting in all the utilities, putting in the beach, dredging the beach, and all the what we call FF&E, furniture, fixtures and equipment. We had a hard time filling the hotel simply because people don't go to top quality hotels without the recommendation of someone who has been there. They don't go by brochure. You can sell a tour hotel by brochure, but not a high-class hotel. So for the first two years the Kahala Hilton, which as I say cost \$32,000 a room, lost a couple of million dollars. The next year it made back twice as much as it had lost in the preceding two years and has been a very successful hotel ever since. Whereas we opened with a \$32 rate, the average rate I'm told for the last year was about \$175 per room per night. And they regularly run in the eighty to one hundred percent bracket.

New hotels of any similar quality are now being built in the neighborhood of \$300,000 to \$350,000 a room and some hotels have sold recently to the Japanese buyers for over \$400,000 a room. The rule of thumb in renting hotel rooms means that for every \$100,000 you spend on a room you have to charge \$100 a night with seventy percent occupancy. As you see, there's still a long way down the line for these people to recoup and make a profit.

Whereas a number of years ago I said the \$100 a night hotel room was just around the corner, we actually passed that corner about eight years ago. It happened while my company owned the Mark Hopkins Hotel in San Francisco.

At that time the average rate per night at the hotel was in the neighborhood of \$30 to \$40. I said, "The \$100 hotel room is just around the corner." We passed that. We did a little renovating and we were renting rooms for \$115 and more with more renovating. When we finally sold the hotel, the average rate was in the neighborhood of \$140. That is now

about the average rate for that hotel in San Francisco. However, part of the fact that they don't get more is that San Francisco right now is overbuilt with hotels.

S: And there are some really fancy ones there.

P: But the locations aren't the same. In fact, you know the old saying in the real estate business is location, location, location. The top of Nob Hill is the location. When you are downtown in the places where you have the sleazy element of the city around you, particularly at night, you don't get the same rate per room, no matter what.

The Mark Hopkins was built the same year as the Royal Hawaiian, 1927. My company, which I started after having sold the Mortgage Company and the Trust Company, was a company called Bishop Corporation into which I put a number of my properties and some of my friends put theirs in, too. After we sold the Mark Hopkins three years ago, we (I say we meaning myself and my son [Charles Pietsch III], John Spierling and Jerry Seo who now constitute Associates Four) bought out the other stockholders so now we own Sealife Park, Waimea Falls Park and a hotel in Fiji. All those being another story.

S: You attribute the lower rates in San Francisco to the fact that it's overbuilt and there's a lot of competition. What about here in Hawaii?

P: Here in Hawaii we're keeping our rates fairly high, but we've never been quite as high as New York and the major cities in Europe. The major cities in Europe...how anybody that lives in those countries can afford to live! It's almost impossible. To us it's becoming very, very expensive. I can remember going to London and having a beautiful suite for \$90. Today you'd pay \$350 to \$400 for the same room.

S: Does the same hold true in the Orient, especially Tokyo?

P: Particularly in Tokyo and it's happening throughout the Orient. In fact, it's happening in places where you never would have expected it. Just a few months ago I was in Dublin, Ireland. The last time I'd been there I think I paid about \$25 for a good hotel room. And you could get a lovely meal for \$7 or \$8. Now hotel rooms are \$160 to \$170. Fern and I went out for a good meal in a nice restaurant, but the bill was about twice as much as it would be in Canlis' Restaurant in Honolulu. It was \$170.

We discovered that they have a thirty percent tax on everything, so when you buy a meal you pay a thirty percent tax. Well, you think they're doing this to hook the traveller, but the local person when he goes into his grocery

store pays a thirty percent tax. It's called a consumption tax. And whereas here we're thinking of taking the four percent gross income tax off food and drugs, there people have to pay the same tax as a tourist does. Hotels, of course, have a thirty percent tax. In San Francisco the hotels pay a tax of ten percent, so this tax that we've put on hotel rooms means nothing to the business and it's a good thing for Hawaii and it should have been done a long time ago.

S: That's the way I've felt about it because no matter where you travel on the mainland every state has a tax.

P: Absolutely, it's not just a sales tax. It's much more.

Another thing that we found is that nearly all countries have the same prices. I can remember being in Copenhagen when I gave a cocktail party for twenty people and my bill was \$40. Today, it costs you \$5 to buy an oyster in Copenhagen and in Oslo, Norway, Fern and I had a light lunch before boarding a cruise ship.

We decided to sit in the lobby and each had a cup of coffee and an apple strudel and I expected a bill for \$7 or \$8 and I got a bill for \$44 and some odd cents. This is American money I'm talking. But that's the way things are in so many of these countries. It's rough on the traveller, but it's even rougher on the person who lives in that country. England is probably one of the worst.

S: Which really makes Hawaii look like a tremendous bargain.

P: Hawaii is a bargain! In fact, unless you're at the top of the season, a kamaaina can go to an outside Island and have a nice hotel room for \$35 or \$40. Hawaii is a bargain. In fact they talk about things being cheap in Mexico, but all they do is raise the prices when the peso goes down. (laughs) It doesn't mean anything.

The future of Hawaii definitely is in tourism. Unhappily, our class of tourist has gone down and, at the same time, what bothers me is that the new hotels being built are going to need a very, very high rate. I don't think they're going to be able to get it because I don't think our average tourist is going to be able to pay the price necessary to the high cost.

We've noticed in our parks that yes, our business goes up each year, but it doesn't go up by the same amount that the total tourism does. The tourist that comes here doesn't eat in the high-priced restaurants in Waikiki any longer. The average tourist eats in a fastfood restaurant or at least a lower-priced one. He buys his tour on the mainland and he doesn't spend much money when he gets to Hawaii.

S: No, and if he gets a Budget-Rent-A-Car, he uses the coupons.

P: Exactly right. They just figure that they paid for their tour when they bought it. Therefore, all we in Hawaii get from that type of tourist is really the wages of the people that they keep employed in the hotels where they're staying.

S: Most of that money ends up back on the mainland.

P: Sure it does. With the airline. With the hotel, it goes to the chain. Some people think it's awful with all this Japanese money coming in here. I think it's wonderful. It's return of capital to the United States, number one. Number two, the Japanese fellow with his profits doesn't take it back to Japan. He has his money out of Japan, he wants to keep it out where he can invest it. He either reinvests it here in Hawaii or on the mainland United States or maybe other securities of the U. S.

Whereas, if a person or company from Toledo, Ohio, buys a hotel in Waikiki, he takes every penny in their bank account back to Boston or Toledo or wherever it may be every day. Whereas the money from the Japanese hotels stays in our local banks for the most part. By and large, I can't see where we're being harmed in the least by having outside capital come in.

For years, in the early years, it was necessary to start the [Honolulu] Mortgage Company because there wasn't enough capital here, so we had to import our capital from Boston, New York, San Francisco, Los Angeles, all over the country. In fact when Honolulu Mortgage Company was sold, we were representing over eighty companies that were buying mortgages in Hawaii.

S: We got that all started with the Kahala Hilton.  
(laughs)

P: Yes. Well, after the Kahala Hilton, we did build, a few years later, the apartments alongside the Kahala Hilton. I guess they're still called the Kahala Beach Apartments by everybody. A total of 296. It's an odd figure, but we arrived at it because they wouldn't let us go more than four stories. I would much rather have built two eight-story buildings and had a lot more verdure around the place. As it was, we have I think, for the most part given privacy to the buildings even though they be close, because of all the verdure that's been created in between with the plantings and landscaping.



Of course, the people that lived mauka of the golf course were upset because it was going to block their view. However, if someone had put up a four-foot hedge, it would have blocked their view of the ocean just as effectively. The height didn't mean anything. As a matter of fact, the view would have been better with a taller building than so many shorter buildings. And most people have come to realize that traffic on Kahala Avenue isn't any more than it ever was. So all the arguments in the long run...the people who did the kicking about building the hotel are the ones that use it the most as far as the locals are concerned.

I will say that with the outside Islands building as they are, more and more money is coming into Hawaii. A lot of it's mainland money, a lot of it's Japanese money. Some of it's even coming from Canada and sooner or later when their economy comes back, it will be coming up from Australia.

In our hotel in Fiji, which is the nicest hotel in the whole South Pacific, we do at least sixty percent of our business from Australia.

S:           What's the name of the Fiji hotel?

P:           The Regent of Fiji on the island of Denarau, which is an island of Viti Levu only by virtue of an arm of the Nandi River, which we crossed with a fifty-yard bridge. In fact Denarau Island has a single hotel with another one under construction, but it's almost exactly the size as Waikiki. It's 480 acres. I think Waikiki is about the same. We think of Waikiki as being a big area, but it's really only two miles long and a few hundred yards wide. It couldn't even be there unless the Ala Wai Canal had been dredged, and that, you see, intercepted the streams coming down from the mountains and the fill went into filling the duck ponds that existed in Waikiki.

I do think it's a shame that Hawaii isn't as nice a place as it was, at least seemingly so to me. It's nice to the last person who gets off the boat or the airplane and says, "Now pull up the steps and don't let anybody else come," (laughs) but you know our Oriental population from being more than fifty percent or just about fifty percent, I think it was forty some odd, but they were still a minority right after the war. Now there are more haoles than there are Japanese, but there's still nobody that's more than fifty percent. We're all minorities.

One of the oddest things that ever happened in Hawaii was when they came down from the mainland to find out whether or not minorities down here and, of course, anywhere in the United States Japanese and Chinese are minorities, but they came down to Hawaii and they finally had to say, "Well,

actually there's been impropriety in the hiring in the post office because there are too many Japanese," which I thought was kind of funny. Hire other ethnic groups too, they were told.

S: No, they don't understand that from a distance.

P: No, and what's really changed the Islands for the people who live here is simply more and more and more and more people. I really don't know what the population was back in the early twenties which are the days I remember well. Maybe on this Island we had 60,000 to 70,000 people and now what do we have, 850,000 to 900,000? It's impossible not to go high rise. If we didn't, everybody would have to travel for hours. (laughs)

We have a place up at Pupukea. Well, the traffic between here and Pupukea in the fifteen years that we've been driving out there has quadrupled, but it's still nicer to have a country place on this Island and it is country. When we are at Pupukea, we can take our horses and ride for hours and never see the same place twice, nor any people. The whole center of this Island is absolutely barren. Barren is the wrong word. It's very lush, but there are no homes and there are no people. Just to go slowly back and forth across this Island in a helicopter is a wonderful thing because you realize how very little of the land is in use.

S: Does it offer any opportunities? Would you want to use much more of the land?

P: I don't think we really do. What we should do is just gradually use it in as good a way as we can. Forget the low-cost housing. The low-cost housing day is long gone. We've got to raise the standard of living of people more before they can afford more.

Just as before World War II the guy who delivered milk (there used to be milkmen), the person who drove the streetcar, the guy who drove the busses later and the guy who worked at Pearl Harbor couldn't afford a home. He rented. Most of the houses in Manoa were rented. In fact, after the war I'd get into so many arguments with people because they'd say, "All the land in Hawaii is leased." That's a lot of baloney. It was never more than ten or fifteen percent because for every house there is in Kahala on leased land there are fifteen or twenty of them in Makiki or Kaimuki that are on fee simple land. All Manoa is fee simple land. All of the Kalihi Valley. All of Nuuanu Valley. All of those areas are fee simple.

Now there have been some of the newer places that were on leasehold, but an act of the Legislature whereby people can purchase their land in fee is good. I think it's

good for the estates, too, because you see...a lot of people don't agree with this, of course, but I think that diversification of the estate is very good, particularly the Bishop Estate. Where heretofore they could get in trouble with the I. R. S. if they started selling land. They could be recognized as land developers or being dealers in real estate. Now that this statute is in place, it's condemnation. The money from condemned land can be reinvested without payment of taxes. The eleemosynary estate in perpetuity is continuing and will continue.

S: And they're obtaining this capital for diversification.

P: Hopefully, the trustees diversify in a goodly manner, (laughs) but to have all their land tied up in leaseholds and just in Hawaii didn't seem so...the value has gone up greatly over the years.

As far as downtown Honolulu's concerned (changing the subject completely) I think by and large we've done a very good job. I think our zoning law, which circumscribed the envelope that you can build on a certain parcel of land, was passed just in the nick of time to keep too large a density in downtown Honolulu. So we've a lot of area that is landscaped. There are very few blocks that are completely covered. I think our downtown's probably as nice as any.

S: I just heard on the news this morning that they were going to try to go to fifty stories to try to relieve the office shortage in downtown.

P: Well, you know one of the things that keeps our buildings down is a commission I was on many years ago called the Special Commission by the federal government that set forth the guidelines for the city as to the takeoff and landing glide and turning lanes for the airport. Now subsequently we built the reef runway which keeps the planes from heading straight for downtown, but nevertheless we still have kona weather around here occasionally and some of the older runways still have to be used, so the glide path is still important. To get much higher in direct prolongation of our airport. I'm certain the guidelines for approach and landing at the airport have changed over the years.

S: But I didn't think there was particularly a shortage of office space in downtown Honolulu.

P: In downtown Honolulu at this point it's pretty hard to find office space at reasonable rates. It's been filling up fast. Much faster than I thought it would, but there's a lot under construction, too. Shortages don't last long. Shortages lead to gluts and gluts lead to shortages. (laughs) One follows the other like night and day.

We have never had enough housing. We never have and maybe we never will. I haven't made an in-depth study of it, but maybe that's true in every major city. I don't know. It probably is. Because of our shortage of land area we have cleaned up our slum areas very well and we're continuing to do so. Soon I don't think there'll be much so-called slum area left.

The problem is when there's no slum area left, where do you put the people who live there? They don't have the wherewithal to rent or buy a place at going rates, so it means that people of means are going to have to take care of them. That's all there is to it. Welfare leads to welfare and welfare families become welfare families. They beget welfare families. Some of them get out, but a large number stay right in that vicious circle.

S: They're born, they live and they die in it. It's sad.

P: It is, but this is nothing peculiar to Hawaii. If anything, we have fewer of them.

S: And when you get to the question of the street people, sure we see a lot of them, but much fewer than, for example, San Francisco.

P: Plus you take a look around and you wonder where they came from because you know they aren't locals. How did they get the plane fare over here? I sometimes think that they're put on a plane by the authorities in San Francisco and Los Angeles and shipped to us on a one-way ticket. (laughs)

S: I've been told that southern California governments were giving bus fare to street people to send them to San Francisco where they had better provision for them.

P: I've heard that, too. I don't know whether it's true or not. I think, too, that a lot of people that we see around now as street people we never saw before. This is something within the last five years in Honolulu. We never saw them before. Apparently a lot of them are people that have been put out of what we used to call "a pupule house."

S: Institutions.

P: Yes, they have been "released" and the sad person doesn't know how to subsist. It's one of our big social problems, of course. This business, too, of large families of illegitimate children just goes on and on. And welfare aids and abets them. This is the same. It's probably a lot more prevalent in Harlem than it is in Kalihi, but at the same time they exist in both places.

S: We only got you up to the seventies when you built the Kahala Hilton and the Kahala Apartments. What was next?

P: At about that same time when we finished those apartments, I decided to build some apartments downtown at a very reasonable price. I put together the block between Richard Street and Alakea Street and Nimitz Highway and Queen Street.

S: That's Harbor Square.

P: That's now Harbor Square. There are two twenty-seven story buildings, one with very reasonably priced apartments. They were down in the \$25,000 bracket and the other, the expensive ones, ran around \$45,000. Now this was a number of years after Kahala. The Kahala Apartment average unit sold for \$55,000.

S: And now go for about \$250,000.

P: About \$650,000. The eight large seaside apartments that we had were sold for \$160,000, the last one resold for four million. It just goes to prove that if you have enough money, it doesn't mean anything; if you like something, you buy it. What the Japanese are doing today, of course, is coming to Hawaii and buying things at sixty percent of their price because the yen has become worth so much more compared to the dollar than it has in the past that they are literally buying things at sixty percent less than we could buy with dollars. So maybe the purchases aren't so stupid, particularly when the Japanese doesn't look to make money next year. He thinks down the years. Even fifty years or a hundred years. This is his line of thinking. We don't think that way.

And particularly our corporate thinking. Our corporate thinking is quarter to quarter. Not even year to year or five years to five years.

S: And the individual thinks in terms of 1987 taxes and he's locked in on that.

P: Of course, I think one of the worst things that has happened to the businessman in the United States...during my lifetime there have been at least five major tax changes, this last one being the worst. Nobody really knows the answer to this one yet. But it seems that you're playing a football game and every time there's a time-out they change the rules. They just change the rules completely on how you do business.

The whole scheme is awry. In the first place, they've made it impossible to build low-cost housing. For instance, these last seventy-two units that we built, we just barely

broke even on them under the old tax law. Now you can't make any money at all because you can't use the depreciation or the interest paid on the mortgage thereon on any other project except it. It doesn't make any money, so it's all wasted. Whereas, the ideal was that when you built something like that, you use the excess depreciation from it to cover other income. Some say that's good, but it sure doesn't make for more capital commitment which means jobs.

# END OF TAPE 2/SIDE 1

P: Let's talk about our two parks of which we're very proud. Sea Life Park was started by Tap Pryor and connected with it was Oceanic Institute.

S: When was that first started?

P: The construction of Sea Life Park was in 1963 and in about eight years it was in trouble. Actually, the Oceanic Foundation had gone bankrupt. They held the master lease, so someone had to bail out Oceanic Foundation, take the master lease and with it Sea Life Park. Another fellow and I went to the courthouse steps, put up the million odd dollars it took to get them out of bankruptcy and bought it.

Then we subsequently bought out the other stockholders in Sea Life Park.

S: What was the purpose of the Oceanic Institute?

P: The purpose of the Oceanic Institute (changed from Oceanic Foundation) is to do research and development on all phases and kinds of aquaculture and really all matters dealing with the ocean and its life.

S: Aquaculture?

P: Everything. That's a good word to cover the whole thing, but they also were surveying the sea bottom. So a portion of the income from Sea Life Park, which is a profit project, is paid to Oceanic Institute which is eleemosynary. What finally happened was that we bought out all the other stockholders which were many and very small numbers and all very distraught and disturbed at what had gone on.

Then after about a year and a half, I bought out the other partner who had started with me. Our corporation, before it was Associates Four it was Bishop Corporation, then owned Sea Life Park and Sea Life Park was the sublessee from Oceanic Institute which had the lease from the state. That lease runs until the year 2027.

Through the years we've improved it and improved it. The numbers of people visiting it have gone up and up until

now we average about 2,000 people a day. We're just finishing spending somewhere in the neighborhood of a million and a half dollars renovating the reef tank. Within the next two weeks the renovation of the reef tank will be finished and it's going to be gorgeous.

Nowhere else in the world can they do it. We have the only park that can use pure water. We dig wells and bring up water that hasn't even any oxygen in it. Just pure sea water. The same as we do for the lagoon at the Kahala Hilton Hotel. It has to be run over a waterfall in order to get aerated, otherwise the fish couldn't breath.

The other oceanariums like Monterey or the one at Sea World down in San Diego bring in ocean water. Now that's full of all kinds of organisms, which would becloud and really pollute the water within the fish tanks and the aquaria and the tank that you use for your porpoises. But we bring this water up from these deep wells that go right in the basalt and we use it only once. We use it in the reef tank first, then it goes through the porpoise areas, down through the training tanks and then goes out to a dispersion well, which again goes down into the basalt. By the time it is all filtered through this basalt it comes out well filtered to the sea, absolutely clear.

S: It's a natural filtering system.

P: Absolutely, absolutely. So we bring in clear water and turn out clear water. Whereas the engineer that we brought to Hawaii from Monterey...we just finished what we call the Rocky Shore exhibit. You create an artificial wave and then it goes over the rocks and you've got the little oopus and the vana and all the fishes that are on the edge of the sea. They had one that I was very impressed with at Monterey. Well, we built one that's larger than the one at Monterey. You see, they spent \$52 million building the Monterey Aquarium and I understand that is a little low because the actual cost was more. I understand they ran beyond that. They have no parking and they've only six acres. We're using thirty of sixty-two acres.

We have plans now for expansion. We have, in fact, more pinnipeds or sea lions than we need for display, so we need a theater to show off the trained sea lions. For some reason or other we raise sea lions easily, whereas in California they very seldom raise them in captivity. They're all born out at sea. We've also been very lucky at raising our own dolphin pups.

As you may have heard, we've got one that's an impossibility. The mother was a dolphin, the father was a false killer whale, so we call it a wholphin. It will be two years old soon and it's one and a half times the size of its

mother, but still swims alongside and suckles from its mother. It also eats fish and is coming along fine.

Then, of course, at Sea Life Park we have...(laughs) if anybody has a sick bird or a sick fish...

S: Or a sick turtle.

P: ...or a sick whatever. By the way, talking about turtles, we have raised three different types of turtles in a pond there at our small artificial beach in the park, and as the eggs hatch at this beach we protect the young from predation and we don't let them into the ocean until we think they're large enough to survive. They get well started. They don't have to cross the beach where they might be picked up by birds or cats before making it to sea.

We've also got a bird sanctuary. There are boobies that breed there. Of course, they fly out to sea and get their food. There are some frigate birds. One of the other projects is to build an area that will be like unto the Line islands, French Frigate Shoals or Midway, and these birds will be able to live there and carry on much as they do there. But they're free to come and go. They're not pinioned. In fact, the whole thing is interesting.

Take the fishes. We can go on out within a mile of the place and pick up all the fishes that we put in our aquarium and they live for years. In fact, a lot of them we have to get rid of because they get too big and start eating the little ones.

S: It wasn't too long ago that they released a lot of them.

P: We released a lot in order to redo the tank. We kept just a few rare ones and we let the rest of them go.

Waimea Falls Park runs up from Waimea Bay. That whole Waimea used to belong to a subsidiary of Castle & Cooke, Oceanic Properties. Waimea Falls was a place that I used to walk to when I was a kid. All of us did. Everyone, I guess, that went to school here took dates and went up and had picnics and dove off the top of the rocks at Waimea Falls. I'd always liked Waimea Valley and was interested in the falls, although the valley was overgrown with Christmas berry and koa haole.

S: It was just open? You had access to it?

P: Yes, you could just walk up. Castle & Cooke didn't give a darn if you walked in. Of course, today they would because...



S: ...the liability. (laughs)

P: Exactly right. People didn't use to sue then if they fell off and hit their head on the rocks.

But Castle & Cooke wanted to buy some properties and at the same time in this deal they were making with the Mendonca estate there were some properties they didn't want to buy. I said, "Well, okay, I'll buy the ones you don't want, but you want to keep the price down on the part you do want and want me to pay too much for the part that I'm taking because you want to keep the price of cane lands down for tax purposes, so what I'll do is...the deal is if you'll sell me Waimea Falls, the Waimea Valley, for x dollars and throw it in with the deal." They said, "Okay, we've got no use for it. You can have it."

They had leased it at that time to someone who was running a trail up there and would let people in for a dollar and was selling hot dogs. He wasn't paying his rent, so they cancelled his lease and we took it over. It's taken us about fifteen years to reconstitute, still using only 300 of the 1,800 acres. We're just using the area below the waterfall, so we have a large area which is masterplanned for country cottages, mountain cabins, and we're gradually populating the place with birds which are approved and we're working with the Board of Agriculture and Forestry in raising endangered species both in plants and birds. In fact, the fellow who runs the horticulture at Waimea took his original training at Kew Gardens in England. He's been all over the world.

S: Is he the fellow we see doing the commercials?

P: Sometimes. Keith Wooliams is his name. He still lectures at Kew Gardens at least once a year. While he was studying and working in Japan, he married a Japanese girl and they're very happy living here. She runs our little country store and they have two children.

Right now, Waimea Falls Park vies with and on some days has more visitors than Sea Life Park. It's averaging maybe 1,800 people a day, whereas Sea Life Park is about 2,000 a day. They're not big moneymakers because you must put very much back in and they're very labor intensive. Each park has over 200 employees. For their areas particularly, the Waimanalo area doesn't have much industry. I can remember right after World War II Waimanalo was still a plantation, as was Kahuku.

For the North Shore, except for the Turtle Bay as they call it now, we're the largest employer. We have more employees than anyone on the North Shore.

S: You had mentioned in your master plan having cabins and cottages. Would those be rental resort types?

P: They would. They'd probably be mostly for local people. The idea in the background is that we probably wouldn't build roads in. We'd come from the top, the back of the valley, and take people in on four-wheel vehicles and drop them off at their cabin. We'd be going in every day to supply and bring those out who are leaving.

S: Just to get away from the concrete is the idea behind that?

P: That's it. Part of my idea is that we might build a dam and create a lake there, then we wouldn't have floods and droughts in the valley. The streams would be running all the time if we could do that. That's future, of course, and it takes a lot of governmental approval before it can be done.

The master plans we have at both parks have been approved by all the government agencies necessary, so any time you want to do any of the projects that are shown on the master plan it's a matter of having the precise plans approved and getting the building permits. As of now, they're both in the black, whereas for a long time Waimea Falls spent more money than it took in because it had to be really cleaned out and landscaped to its present beautiful state.

The history of that valley goes way back. The story is that there used to be many farmers in the valley. You still can see the platforms. We're clearing them all the time. We've had surveys done by Bishop Museum and the University of Hawaii as to its use. It seems that in the early days up at the head of that valley were huge forests of sandalwood. After it was denuded of sandalwood, in about 1880 something, a tremendous flood swept out the gardens. About that time, a measles epidemic occurred. It was never farmed since then.

The area was only occupied by fishermen that lived along the shore. Castle & Cooke used to own the shore there also around Waimea Bay. It's now Waimea Public Park that was condemned by either the state or the city some time in the sixties. Our property starts from the bridge...the highway is our property line.

S: Is there any affiliation between the Oceanic Institute and the University of Hawaii?

P: In some ways they're competitors for grants from the governments, and yet they do different things, but in a number of ways they cooperate. Particularly right now, they're both on a special commission of the federal government that's looking into underwater research, different

types of aquaculture research. We do work all the way from Guam on to Malaysia. We've done a lot of things of that sort.

S: It sounds a lot more exciting than just real estate.  
(laughs)

P: I'm fascinated by both of them. They're the thing for me to work on and there's no way, for instance, you could finish developing Waimea Falls Park in two lifetimes. As far as Sea Life Park is concerned I had a grand idea, I think, of maybe not to Rabbit Island, but to Turtle Island (it has a Hawaiian name), the little flat island, the water doesn't get much more than twenty feet deep to reach there. You could have the same type of thing they have at Disney Land. We could take a train, a tram, and run it under water on a cable or rail and go on out to the island, turn and come back and we could build (even if the reef isn't as nice as it could be) we could build it so that it would be, and feed the fish, if necessary, to keep them around.

Once you're under the surface of the water, it's very still, as you know. The technology's all there. They do it at Disney Land. It's the same thing. That's just one of the ideas that we think of when we think of Sea Life Park. Again, we would need federal, state and city approvals.

#### END OF TAPE 2/SIDE 2

April 9, 1987

S: This morning I'd like you to tell me a little bit about your community activities here in Hawaii. I understand that you've been involved with the Boy Scouts.

P: This year I'm president of the Aloha Council of the Boy Scouts. As of now we have about 33,000 Boy Scouts and about 7,000 people that are volunteers, adults who work with the scouts at different levels.

S: How long have you been interested in the scouting movement?

P: Well, I was a Boy Scout myself until I had to stop when we moved to Lanikai. When we lost our house in town, we moved to the country just before I was to become an Eagle Scout, so I never did become one. I got to be a Life Scout, which is just below the Eagle rank. I had my merit badges and so on, but never did receive it at the court of honor.

For the last twenty-five years I've been on different staffs. I was chairman of the Kaala district, which is that district which includes Waianae, Waipahu, and runs on out

through Wahiawa, Haleiwa, Waialua, Sunset Beach, just about to Kahuku.

Then I became a vice president for finance for the Aloha Council. The Aloha Council for the Boy Scouts covers all the Hawaiian Islands except Maui. Maui is a separate entity. One of these days I hope they will want to join the Aloha Council. From here we go on to Guam, Samoa and Ponape, Truk, all trust territories of the Pacific that are about to receive independent status.

S: I didn't have any idea that it was that extensive.

P: It's quite extensive. In numbers, of course, most of the scouts are here on Oahu. Of the 33,000, there's probably 29,000 here on this Island. Nevertheless, it means at least twice a year going to all of these places. It has to be travelled twice by either the president and/or the chief scout executive, Darl Gleed.

It's a very rewarding thing. I never mind asking for money for the Boy Scouts because they do so much good. An interesting point is that per boy we spend less than half here than they do in San Francisco or New York or Chicago or Cleveland or any of those spots simply because the community itself backs us better. We have more volunteers and we get along with less staff, too, although we have an excellent staff. Sharper than most.

Being contained as we are helps. The different churches here are very cooperative, the school system is cooperative, the Army's cooperative, the Navy and the Air Force. In fact, the head of CINCPAC here is an Eagle Scout; the general in charge of the Air Force here is an Eagle Scout; the general in charge of Schofield was a Scout, so we receive a lot of backing from the military.

S: There's this loyalty that they feel. And don't you think that people in Hawaii are generally very community minded?

P: I think, too, that one of the lucky things we have is that by and large (there are exceptions in everything) the Japanese, the Chinese, the Oriental population we have here are a great stabilizing factor. They have great family pride. Others, of course, do also, but they are exceptional.

I was finance chairman for three years and ran the different fund goals. Then I was V. P. in charge of the eight districts of the Aloha Council. Then from that they asked me to be president this year. This is my swan song. (laughs) I told them I was going to be a one-year president, but I've got some definite goals that I want to reach.

One thing is our sustaining membership drive isn't over, but we're up in the ninety percent, so it's going to go over the top this year. We have a number of different programs. It seems that we're always talking about raising money and yet, out of these 7,000 volunteers that we have, it's probably only a hundred of them involved in that part of it. The rest of it all goes to working with the boys, and in the upper levels of scouting, the girls also.

When you get to Explorer Scouts, there are both girls and boys, and when you go into the high schools, we talk with groups in the schools that are members of the scouts, both boys and girls, about careers and what career they're going to head for, and how best to reach their individual goal.

S: That's a change from years gone by.

P: Oh yes, but that's been going on for ten years at least. I'm not sure when it started. Talking about fund-raising. Many years ago in the business district I headed fund-raising for the symphony. For a couple of years I was in charge of what they used to call the Red Feather Campaign. Now it's the Aloha United Way. Those were done in the years when, I think, you should do things like that, when I was in my late thirties, forties, early fifties.

One of the biggest problems we have with the Boy Scouts today is we're getting old in the service. There are too many that are over sixty. We need more forty-year olds on the board. As I keep telling the guys, you must catch them before they get involved in something else. If they're already on the board of the YMCA or into something else, it's unlikely they're going to take on another job.

I find that it's true also that the younger people today are not as interested in this kind of work. They're not. They're much more selfish. They don't give of their time, and it's probably harder. More people, more competition, not only in business or any job, time seems to be scarcer.

S: Many people have commented that today there are also a large number of women working. Naturally, there are a lot who do have to work, but there are quite a few who feel that if they're going to work, they're going to get paid for it. So proportionately fewer volunteers. There are only so many hours in the day, and one's family has to come first.

P: There's some of that, but my wife does an awful lot of work, but has never had a paying job since before the war.

S: Tell me a little bit about your wife and children.

P: Well, Fern and I have been married...well, this will be the forty-sixth year. Charlie will be forty-five later this year, and he works with me in my business. He is very, very active in all facets of the business from the hotel in Fiji to the parks on this Island and the subdivisions we've had and the hotels we've had and the properties we've had on the mainland.

Our daughter Diana, who is two years younger than Charlie, lives with her husband in La Jolla, California. He's in investment real estate. I guess one of the main reasons that they aren't living here is that he and Charlie do the same thing and they didn't want to wind up with too much sibling rivalry going on. (laughs)

Diana doesn't have any children, but Charlie has two boys. One's nineteen and the other fifteen. The nineteen year old is just finishing his freshman year at Cornell University in New York. He's doing very well. The younger one is at Punahou School.

S: Where did your children go to school here?

P: They both went to Punahou.

S: Did they go to the mainland after that?

P: Charlie went to the university at Syracuse, New York, and Diana went to a girls' school, Lake Erie College, outside of Cleveland, Ohio. She spent her junior year in Germany at the University of Tübingen. During her junior year at Punahou she had asked if she could go to Switzerland, and she did go and spend a year at Neuchâtel in a school in Switzerland. The winter semester was spent in Gstaad. Punahou gave her special permission to do that and they accepted her grades from there. She then went back for her senior year to Punahou and graduated.

S: Was she particularly interested in languages?

P: Yes, so she speaks French and German from those two years spent abroad studying.

S: Does she work at this time?

P: No, but she has. She also went to the Cordon Bleu cooking school in Paris and she and some others in San Diego at one time had a series of shops that ran the gamut from selling pots and pans and Cuisinarts to being a delicatessen and a full restaurant. They had a chain of seven shops when they sold out about four years ago. She doesn't do anything

now except be a homewife and help her husband and travel around. They do a lot of travelling.

S: Even though your son went to school on the mainland, he knew he was coming back to Hawaii?

P: Oh, yes. He came back to Hawaii right after college, married Margie Hustace, and then had to go do his Army service because he had graduated as a reserve officer. So they went to Germany and lived for two years at Wiesbaden and Mainz. He was the commanding officer of an airborne truck company.

When they returned from Army duty, they lived in San Francisco for three years. He worked for the Wells Fargo Bank there. Then they finally decided that that really wasn't the life for them, so they moved back to Hawaii. The elder boy Jeffrey was born in California, in the San Francisco Bay area.

S: Previously we had mentioned the amount of Japanese money coming into Hawaii, but I would like to have some of your views on what lies ahead for our wonderful state. We seem to be so dependent on tourism and the military. Agriculture has gone downhill considerably, although they are trying to come up with some new products.

P: We must come up with something new that we can grow to make money. So far, no one has come up with it. It might be the winged bean or it might be something we don't even think of today. They've tried everything here, you know, from sisal to avocados.

S: Wasn't it Walter Dillingham that tried to raise sisal?

P: That was so many years ago that I don't know who did it, but it was way back around the turn of the century. It was right above Kailua-Kona where you see all the sisal growing.

S: I think that Lowell Dillingham told me that his father had tried growing it here on Oahu.

P: They may have, but I don't know where. But, for instance, the whole top of Wilhelmina Rise when I was a kid was pineapple. But in the twenties they closed that up and turned it into a subdivision which during the whole of the Depression only had one home up there. The rest of it was just empty lots. St. Louis Heights was all empty lots that were foreclosed on from the subdivider. For all of the thirties. In fact, we didn't build out Wilhelmina Rise nor St. Louis Heights until after World War II. Nineteen forty-seven and forty-eight.

As far as the Japanese money is concerned, I don't see what difference it makes to us. We've always been capital poor. That was the reason for starting the mortgage company. There was not enough local capital to build homes and make mortgages on. Now, we have Hula Mae which is good, but that can only handle a certain segment of the population.

But the Japanese bringing in what amounts to investment money, investment dollars, is just the same as if someone brought it in from Chicago or Cleveland or Des Moines, Iowa.

S: I think you had mentioned that some of the Japanese have more of a tendency to leave their money here than some of the mainland firms.

P: That's exactly right. The mainland firms by and large, and I know some of the big ones, take their money back to their home offices daily whereas the Japanese really don't want to take their money back to Japan, so they reinvest it here or they buy U. S. bonds or they invest it in the U. S. stockmarket. Any profits they may have. Or they reinvest it in the properties they have here and expand those. It's no difference to the economy of Hawaii whether the money comes from Japan or it comes from the East Coast or the West Coast or the Midwest. (laughs)

S: It's just that right now it seems that every day you pick up the paper and read about another purchase such as Coconut Island.

P: Well, Coconut Island, of course, isn't worth anywhere near that amount of money, even to us. The thing is that obviously this fellow who bought it went there one day when the Marines were not flying because you literally cannot hear yourself, let alone anybody next to you, when they are running those jet engines. They repair the engines there and will turn them on for hours while they're testing the engines. That's to say nothing about the ones that are flying over that island just above the tree tops to land. So, to me, it's impossible to live there. Maybe sometime in the future they'll abandon that airfield and then it will be great. But that airfield's been there since before the late 1930s.

I can remember when old Mokapu was a lovely place and people had houses along the bay shore. On the outer shore towards Mokumanu, we used to go bodysurfing. It was a dangerous place to do it, but that was where the kids went for heavy bodysurfing as well as Makapuu. Before World War II all the land was condemned on Mokapu peninsula and it became a naval air station. Now Marine.

In fact, Cy Gillette who works with me used to fly out of there with PBYs. At the same time they dredged sections



of Kaneohe Bay in order to bring in small tankers to fill the needs of the aircraft that were flying out of there. In those days, of course, it was high test av gas.

S: Does that constant noise of the jets disturb the marine life?

P: No, it has nothing to do with that. It's just that people...if you want to live there, it would be impossible.

S: I just wondered how sensitive the marine life would be to that. It doesn't bother them at all?

P: As far as I know, it doesn't. I used to go over there quite often when Chris Holmes owned it, before World War II. He had the old Seth Parker schooner anchored there. He had a theater in it and he had fellows working on preserving it and studying the local island fishes.

S: Was he married to Mona Hind at that time?

P: No, I think it was later. He subsequently moved to the Waikiki area.

S: The old Case Deering place.

P: Before that he had this place. It was very lovely, I remember. You'd sit in this open rotunda in the center of the home and he had huge fish tanks, pumping salt water through them all the time, with lovely fishes from the reefs in the tanks. What the main house is like right now, I have no idea. I haven't been there since just after World War II. I went over there with Pauley one time when he first bought it. That \$250,000 seemed like too much and they never could use it because of the overflying of the aircraft. They finally just didn't use it at all. The surrounding enclosed ponds are used for fish studies.

S: In all the articles I've read about the place I don't believe I ever read about that noise factor.

P: Well, the point is that everyone in the area knows it. To use it for anything public is impossible. You'd have to run boats back and forth which would be a very expensive thing to do, plus again that noise is just terrific. You can hear it all over the Kaneohe Bay area. Even at the Kaneohe Yacht Club. You go crazy when they've got those engines turned on. But particularly that island because it's in direct prolongation of the main runway. Weekends, happily, are usually quiet.

For instance, the Japanese, Mr. Osano, have owned the Sheraton Hotels in Waikiki. They bought the Matson hotel chain and I think they paid \$18 million dollars for it and

everybody thought that was a fantastic sum of money. Of course today it would be nothing. Today some of the hotels have sold for more than \$400,000 per room, which as we said by the rule of thumb means that you must, at seventy percent occupancy, charge \$400 a day to make it work. Well, it's going to be a long time. One thing about the Japanese is that they do have the long view.

S: Yes, we had mentioned that, too. They're not out to make a buck next year or in the next five years.

P: They're thinking in the long term. And most of these are not individuals either. They're individuals who dominate companies. What will happen when these individuals die off and those companies get into the hands of professional managers, such as most of the corporations have in the United States, they are handled very differently than the entrepreneur who started the company. You have keepers instead of the risk takers.

S: Of course, we've seen that in Hawaii.

P: Certainly. Totally different types of management.

S: The individual entrepreneur didn't have to account to the board of directors or the stockholders. It does put things in a different perspective.

P: Absolutely. When you're dealing with other people's money.

S: Why don't we talk a little about your hobbies?

P: For years my main hobbies derived from the fact that I lived on the ocean at Lanikai and did a lot of net fishing and, of course, hook and line fishing and all kinds of fishing. For a number of years I did a lot of deep sea fishing off here. The picture on the wall there is my 770 pound largest fish.

Then I fished off Montauk Point, New York, and off Catalina. I fished salmon up in Scotland and Ireland and finally got into dry fly fishing in England and Wales and Scotland, and have subsequently done quite a bit of fly fishing in the streams and lakes of New Zealand, which are very lovely and lots of fun.

For a number of years I was one of the representatives of the International Game Fish Association and, as such, would have to measure trophies and certify that they were caught on the proper size line, send in so many yards of line and certify as to the weight of the fish and so on and so forth. Dudley Lewis was the leader of that here. He's now passed on, but I used to work quite closely with Dudley Lewis

on those matters for the International Game Fish Association based on Bimini in the Bahamas.

Mike Lerner and Arthur Grey, his brother-in-law, had an ocean laboratory on Bimini where they did a lot of fishing. At one time Dudley Lewis and I brought down Francesca LaMonte from the Museum of Natural History. She was the chief ichthyologist there. They used to declare that all the marlin that we had here were blacks or stripes, that none of them were the blue marlin because the blue marlin didn't exist in the Pacific, she claimed.

She came down and we showed her the blue marlin and we had been with her on the East Coast and had seen the blue marlin there. There's no difference at all. Finally she came to the conclusion that really they were here. The black marlin has fixed pectoral fins and the only way you can fold them is to break them. That's not true of the blue marlin; you can fold his pectorals. Of course, the striped marlin has a dorsal fin that's higher than the width of the body, so that's how you tell them apart.

We used the same arguments. The big matter was that they (the blue marlin) grow so much larger in the Pacific, that the blue marlin record would never be held anywhere but the Pacific. It's the same thing with the sailfish. The sailfish in the Pacific are twice the size of those in the Atlantic, so they call it the Pacific sailfish and the Atlantic sailfish, and the Pacific blue marlin and the Atlantic blue marlin, and they have two separate sets of records and that was really the big bone of contention.

As soon as we said, "Okay, call it the Pacific Blue," but then black marlin are caught throughout the Pacific and the big records have been held off Peru for the longest time although we catch some pretty large-sized black marlin here, too. For years that was my main hobby and I played a little golf. Then I became interested in horses and started playing a little polo in my early forties and played until a couple of years ago.

S: Your early forties! Isn't that kind of late to start playing polo?

P: You bet it is. I wish I had started playing polo or riding horses when I was in my teens, but I didn't. Didn't have the chance to, so it wasn't until my fortieth birthday that I ever really rode a horse. That first year, as poor a rider as I may have been, I started playing polo at Kapiolani Park. Later we moved to Mokuleia. I played there until about four years ago and up until last year I umpired some games.

S:           What was Fern's reaction when this forty-year old man decided he was going to play polo?

P:           Well, I bought some horses and said, "Well, you might as well learn, too," so she learned, too, and she used to ride every day.

S:           And she never had previously either?

P:           No. And we still have some horses. Still ride.

S:           When did they quit playing polo out at Kapiolani Park?

P:           Gosh, it must be twenty or more years.

S:           They played polo there and they had the racetrack.

P:           They played polo there for years. When I was a small boy, I remember watching them play. Then they played in Honolulu Stadium, indoor style. Then they started about 1955 playing at Kapiolani Park in the arena. They played there for about ten years and then it moved to Mokuleia.

          The old teams were the Dillinghams and the Baldwins, mainly, and then the Army usually had a team. That's the very old days. You're talking now back into the twenties and early thirties. Those were the days Lowell [Dillingham] would know all about.

S:           He talked about his father raising the polo ponies because they just didn't have the proper polo ponies.

P:           They brought in some very well-known stallions, some of them that were still alive just a few years ago.

S:           Those must have been great days. A couple of people have commented that they remembered General Patton.

P:           Playing. Yes. I didn't remember that, of course. That was back in the early thirties.

S:           He must have been quite a colorful figure.

P:           Yes, in those days he must have been a captain or a major.

S:           I believe a captain, but his family must have had money and he had the yacht out at Pearl Harbor and he must have been quite a personage here in Honolulu.

P:           But that was long before my time. I was a teenager.

- S:           Everybody seems to feel that during the thirties, before the defense build up, it really was paradise.
- P:           But the point was, too, that for the average family it was pretty tough to make a living. Either you were one of the big boys or you were nobody. There was no in between. When it came to my business, homebuilding, before World War II you couldn't have sold any. No one could afford it. Before the day of modern finance and higher wages.
- S:           That's right because we had talked about the impact that the GI Bill made after World War II for people who never...
- P:           And also the GI Bill did all kinds of things. Particularly it sent many of our people here to college who never would have gone. All over the mainland.
- S:           I also believe someone had commented that they established an art school at the Honolulu Academy of Arts to accommodate the number of GIs who were interested. At that point UH, I guess, did not have much of an art school.
- P:           When I went to UH, it was maybe 4,000 students and it's now like 30,000, just at the Manoa campus.
- S:           There was that impact from the GI bill and a lot of people have said that a lot of money was made here in Honolulu during World War II.
- P:           Yes. today we wouldn't consider it a lot of money but when I came back, one of the nicest things was that so many of the people that would have been my real competition had made themselves a few hundred thousand dollars and were in those days sitting so pretty they were lazy, so that a guy that came in and really worked, worked seven days a week, twelve hours a day, could get ahead. You could beat them all. They had made it so easily; but the amounts of money were so different. To be a millionaire back in the thirties and forties and even the fifties meant something. Not today.
- S:           It was certainly World War II that made all the changes and in so many different areas.
- P:           Yes, it changed the face of Hawaii and then the unions came in, too, at the same time. The big change, of course, in the economy of Hawaii was the advent of the jet aircraft which was the same year of our statehood. Now which was the most important? I think the jet airplane was more important. Really, the change from a territory to a state was only a state of mind. It didn't really make much difference. The taxes didn't change. We did get representation in Congress that we didn't have before, but whether that's ever been any great help to us is problematical.

The main reason we stayed strategically here, as far as Army and Navy is concerned, doesn't have much to do with Congress. It has to do with geography. In fact, we're the most isolated people in the world. We're the farthest from any other place. You've got to go some twenty odd hundred miles to get to any place from here. There's no place else like that.

You try going across the Atlantic or across the south Pacific, you bump into big land areas much closer. I guess that's why Hawaii was so late in being discovered, at least by people who admitted it. They believe the Spaniards were blown off course on their Pacific runs to the Philippines, and that they may account for the ehu Hawaiians, the red-headed Hawaiians. The fact that there were wrecked Spanish ships here. There's been no proof of that.

They claim that in some of the old Spanish maps they offset the islands, they showed them, but they offset them and the few great sea captains would know about them and would know that if they took so many more degrees in longitude, not latitude, they would hit the Hawaiian Islands, but they never did on purpose unless they were in trouble. Captain Cook fell upon them absolutely by chance.

S: I'm glad whoever found them, found them. (laughs)

P: For many, many years the big thing around Hawaii has been, "Gosh, there's getting to be too many people here. Now that I'm here, pull up the gangplank. Don't let any more airplanes come in." (laughs) We just can't do it. In fact, since World War II the haoles have become as many as the Orientals now, almost. But we're still all a minority; there's no majority, which is good, I think. This racial discrimination thing almost seems like something new to me. As a matter of fact, I think it's played up in the newspapers more than really is present.

S: Don't you think the last political campaign showed a lot of bad feelings?

P: Yes, but I think it was more personal than it was racial.

S: Do you see anything outstanding ahead for Hawaii? How do you feel about the University of Hawaii? So many people have commented that the University is the core to a lot that could be developed.

P: Well, the intellectual climate of the community has a lot to do with whether or not it builds up as a center of new high technology.

- S: Yes, the Hub of the Pacific idea. The high tech parks.
- P: We just don't have the University of California or Stanford or Cal Tech around us.
- S: Well, the charge is that they've tried to be all things to all people.
- P: Well, as well as engineering and technical subjects, you must have a Department of History and a Department of Economics, and a Department of English.
- S: Yes, but do you need a medical school? Do you need a law school?
- P: There are a lot of arguments both ways on those. As they say, in medicine, for instance, it would be a lot cheaper to take qualified students from here and send them away to good medical schools than to run the medical school here. But I've talked to a number of doctors who say, "Oh, no, but it's a great thing. It makes the doctors stay on their toes." Queen's has become a teaching hospital, so it does good for the community in that respect. Not just the fact that they're turning out doctors.
- Whether the same thing can be said for the law school, I don't know. One thing is we have many lawyers for our population. I don't know the statistics, but there seem to be a lot of them and they all have to make a living. It's become a much more litigious society than I ever remember.
- S: Of course, we have a lot of real estate agents here, too, don't we?
- P: I can remember when there were five or six. That was it. (laughs) I got my license when I was eighteen and I know there were less than twenty. They first started licensing back in about 1932.
- I think we've covered about everything.
- S: And in spite of the warts, it's still a great place to live.
- P: You know, if you fly over this Island, you see how little of the land we are actually using. Sure, we've too many cars on the road, but how you stop that I don't know. Maybe the best method is to make it so expensive to drive a car that people will tend to double up instead of just driving one car, if gasoline's too expensive. There again, there are a number of arguments going on right now and have been for the last twenty years as to whether they're going to put in a rail system or not.

The old streetcars worked very, very well. When I was a boy, streetcars were open, they had running boards, at the end of the line they'd stop, pull down one electric arm, and connect the other end, and the motorman picked up his tools and went to the other end, turned the seats from going one way to going the other way, put down the bars on the correct side. From Twelfth Avenue in Kaimuki the streetcar ran to Kalihi and, I guess, all the way to about Moanalua Gardens. Another one went up Nuuanu, another one went up Manoa. There was a switch at Pawaa junction where they turned off to go to Waikiki or went straight on to Kaimuki.

S: The transportations's a real problem and it's getting worse all the time.

P: Well, as they say, they had expected to have about 300,000 cars and it's over 500,000. It's something that neither you nor I can do anything about.

S: No, and it's a problem that goes with every big city, not just Honolulu. And it's magnified here.

P: We happen to be a corridor city. We can use the area from the mountains to the sea and that's about it. All the way around the Island. And you do have the Windward side which because being the Windward side is so different from the Leeward side of the Islands. The Windward side just doesn't lend itself to tourism, for instance, because on the average afternoon by two o'clock the sun's gone under a cloud because the clouds build out from the mountains. And when you see natural luxuriant growth, you know there's a lot of rain and the last thing in the world the tourist wants is rain.

S: Which is why Hilo never clicked.

P: That's right. So you take a dry area and take water to it and make it lush and it doesn't rain and the tourist is as happy as a clam.

S: Right. And there are going to be about six million happy people here next year.

P: Isn't that something! The numbers have just exploded, but we can't become complacent. Many places are competing for our business.

S: Other people have commented that it isn't what it used to be. But hopefully we'll come up with some answers.

P: Agreed. Things always seem to work out. We muddle some way or another.



S: And what better place to muddle through than here.

P: The climate hasn't changed.

END OF TAPE 3/SIDE 1

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## THE WATUMULL FOUNDATION ORAL HISTORY PROJECT

The Watumull Foundation Oral History Project began in June of 1971. During the following seventeen months eighty-eight people were taped. These tapes were transcribed but had not been put in final form when the project was suspended at the end of 1972.

In 1979 the project was reactivated and the long process of proofing, final typing and binding began. On the fortieth anniversary of the Watumull Foundation in 1982 the completed histories were delivered to the three repositories.

As the value of these interviews was realized, it was decided to add to the collection. In November of 1985 Alice Sinesky was engaged to interview and edit thirty-three histories that have been recorded to mark the forty-fifth anniversary of the Foundation.

The subjects for the interviews are chosen from all walks of life and are people who are part of and have contributed to the history of Hawaii.

The final transcripts, on acid-free Permalife bond paper and individually Velo-bound, are deposited and are available to scholars and historians at the Hawaii State Archives, the Hamilton Library at the University of Hawaii and the Cooke Library at Punahou School. The tapes are sealed and are not available.

August 1987